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(54) Title: METHOD AND APPARATUS FOR GENERATING AND PROVIDING TO INVESTORS BUY, SELL AND HOLD SIGNALS BASED ON TAX RELATED FACTORS AND INDIVIDUAL PREFERENCES VIA A COMPUTER NETWORK

(57) Abstract: A system and method of utilizing a computer network to track individual investor's investments and to generate certain alerts and buy, sell and hold signals based on individual preferences and tax considerations. The user enters data relating to their investment portfolio and selects individual preferences. Individual preferences may include the percentage of cash to be held in the investors portfolio and target percentage gains or losses in individual securities. The invention calculates the user's capital gain situation and based on that situation and other indicators such as time of year, paper gains or losses, etc. generates alerts and signals to the user advising the user to buy, sell or hold individual securities. The signals are graphically displayed to the investor in a color coded power bar. The investor is able to click on the signals and obtain more detailed information regarding the buy, sell or hold signal. A tax event calendar is also generated that advises the investor of important tax dates including dates estimated quarterly payments are due, the date an investment converts from short-term to long term and the date applicability of the wash sale rule expires.

METHOD AND APPARATUS FOR GENERATING AND PROVIDING TO INVESTORS BUY, SELL AND HOLD SIGNALS BASED ON TAX RELATED FACTORS AND INDIVIDUAL PREFERENCES VIA A COMPUTER NETWORK

FIELD OF THE INVENTION

The present invention relates to a method and apparatus for tracking investments on a world wide web site and providing investors/users with alerts and buy, sell and hold signals based on tax related factors and individual preferences.

BACKGROUND

The world-wide-web is a globally connected network composed of many items and destinations and is the fastest growing and most innovative part of the Internet. What makes the web so fascinating to so many people are the web "sites," destinations on the web that contain information and other content on a voluminous and ever growing list of topics. Web sites consist of electronic "pages" that incorporate text, graphics, sound, animation and other elements. Thousands of web sites are already in existence and more are being generated daily.

One area in which the Internet in general and web sites in particular are having a dramatic effect is the financial markets. The web is revolutionizing the business of buying and selling securities. The business of trading securities, once handled almost exclusively by full service brokerage firms, has progressed to discount brokers that provide little or no analysis or advice to the present day myriad of on-line trading and financial research options. Internet companies such as E*Trade and Datek Online offer on-line securities trading for under $10 per trade. Additionally, most of the traditional brokerage firms are beginning to offer Internet investing at sharply reduced commissions. One effect of the Internet's facilitation of easier and less-expensive trading is that more people are investing in the stock markets. Additionally, many

investors are making more frequent trades. While the prototypical buy-and-hold investor is still alive and well, there are also many investors who make many trades each year (or each day) and often make those trades on-line via a computer by accessing an on-line brokerage service.

Any investor, especially an active one, should be aware of numerous variables that may have an effect on their overall portfolio performance. One important variable is taxes. Under current IRS rules, stocks held for over one year are deemed long term investments and capital gains are taxed at a flat rate of 20%, except for individuals in the 15% tax bracket whose capital gains are taxed at 10%. Stocks held for less than a year on the other hand are deemed short-term investments and are taxed at the taxpayers marginal tax rate, currently as high as 39.6%. Obviously, whether a stock is held for over a year or not can have a great effect on an investor's after-tax return.

Another important variable that may effect after-tax returns is the IRS wash rule. According to the wash rule: a wash sale occurs when you sell or otherwise dispose of stock or securities at a loss and, within 30 days before or after the sale or disposition, you directly or indirectly:

- Buy substantially identical stock or securities.

- Acquire substantially identical stock or securities in a fully taxable trade.

- Enter into a contract or option to acquire substantially identical stock or securities.

The application of the wash rule is best illustrated by examples. Below are the examples found in C.F.R. Title 26, Section 1.1091-2.

> Example 1. A purchased a share of common stock of the X Corporation for $100 in 1935, which he sold January 15, 1955, for $80. On February 1, 1955, he purchased a share of common stock of the same corporation for $90. No loss

from the sale is recognized under section 1091. The basis of the new share is $110; that is, the basis of the old share ($100) increased by $10, the excess of the price at which the new share was acquired ($90) over the price at which the old share was sold ($80).

Example 2. A purchased a share of common stock of the Y Corporation for $100 in 1935, which he sold January 15, 1955, for $80. On February 1, 1955, he purchased a share of common stock of the same corporation for $70. No loss from the sale is recognized under section 1091. The basis of the new share is $90; that is, the basis of the old share ($100) decreased by $10, the excess of the price at which the old share was sold ($80) over the price at which the new share was acquired ($70).

Unplanned for application of the wash rule can result in unwanted tax consequences. An investor who has sold stock in a company might be wise to wait 31 days before repurchasing stock in that company, especially if they wish to realize a tax loss on the sale. At present however, it would be up to the investor or his broker to keep track of each stock purchase and sale and track 30 days from each purchase and sale in order to avoid application of the wash rule.

Other investment variables may be set by investors themselves. Such variables might include: a target percentage gain; a maximum percentage loss; a desired percentage of cash on hand in relation to overall portfolio assets; or a maximum percentage of value an individual stock will have in the portfolio.

Most brokerage web sites allow investors to view their holdings and a history of their trades and also provide research services and access to stock quotes. Other sites, such as Quicken.com, cbsmarketwatch.com and yahoo.com, which do not provide brokerage services, also allow investors to track their portfolio holdings and trades, research potential investments and get stock quotes. Both Quicken.com and cbsmarketwatch.com allow users to view their portfolio transaction history and capital gains data.

Quicken.com provides users with a tax calculator. Using the tax calculator, a user can enter: (1) the purchase price; (2) the current price; (3) the number of shares; (4) the holding

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period [12 months or less or over 12 months]; and (5) the user's federal tax rate for one or more

lots of an individual stock. The tax calculator then tells the user his or her federal capital gain

tax liability [calculated as current price minus cost basis times number of shares times the

applicable federal tax rate]. In the case of a short term capital gain, the tax calculator also tells

the user the tax savings he or she would realize if prices stayed the same and he or she held the

shares for longer than twelve months.

Quicken.com's website also allows investors to set certain alerts so that the site can notify

them of certain events. That site allows users to optionally receive alerts in eight instances: (1)

when an analyst upgrades or downgrades the security; (2) upon stock split announcements; (3)

when trading volume changes, by a user set percentage, from average daily volume; (4) when

price changes by a user set percentage; (5) when the price is below the 50 day moving average;

when price is below the 200 day moving average; (7) when earnings announcements are made;

and (8) when dividend announcements are made. With the exception of the user set percentage

changes in trading volume and price, however, Quicken.com's alerts do little more than other

financial web sites that provide users with all news reports mentioning their portfolio stocks.

A drawback to all of these financial websites is that they are largely passive with respect

to an investor's portfolio holdings. Existing sites may provide research information, stock

quotes, portfolio tracking and even limited tax analysis upon a user's request. Existing sites may

also provide automatic routing of news reports mentioning a user's stock. Additionally,

Quicken.com allows users to set certain specific alerts to notify investors of certain public

events. What is missing from the prior art, however, is a site where investors can set a multitude

of parameters that will provide active signals and advice with respect to their individual security

holdings and tax situation.

All documents, including other websites, HTML and other programming codes, referred to in this document are hereby incorporated by reference in their entirety, although no documents are admitted to render any of the claims unpatentable either alone or in combination with any other references known by the applicant.

SUMMARY

A purpose of the present invention is to utilize a computer network to assist investors in reducing capital gains taxes owed on their investments by generating certain buy, sell or hold signals when certain taxable events occur or are about to occur. A further purpose of this invention is to allow investors to input specific investment goals and to thereafter track the investor's portfolio and provide the investor with signals or alerts when certain goals are met or exceeded. A further purpose of this invention is to allow investors to input specific portfolio parameters and to thereafter track the investor's portfolio and provide the investor with signals or alerts when those parameters are met or exceeded. Finally, it is a purpose of the present invention to keep a running IRS Form Schedule D for individual investors that reflects their current capital gain or loss situation.

The present invention provides a one-stop site for investors to track their portfolios and is superior to other portfolio tracking means because the present invention combines individual investor goals with tax event analysis to generate alerts and buy, sell and hold signals for the investor/user.

BRIEF DESCRIPTIONS OF THE DRAWINGS

FIGURE 1 is a depiction of the invention's means for allowing users to create a new stock portfolio.

FIGURE 2 is a depiction of the invention's means for allowing users to add new stock entries to their portfolio.

FIGURE 3 is a depiction of the invention's means for displaying the user's portfolio and the various alerts and signals provided by the invention.

FIGURE 4 is a depiction of the invention's means for displaying a Running Schedule D.

FIGURE 5 is a depiction of the inventions power bar that provides a graphic display of buy, sell and hold signals.

FIGURE 5 DETAIL is a depiction of some of the information available to the user through the power bar.

DETAILED DESCRIPTION

The present invention is a method and apparatus that utilizes a computer network to generate alerts and buy, sell and hold signals based on individual investor preferences and tax considerations. The present invention also keeps an updated IRS Form Schedule D to reflect current capital gain liabilities.

Under the present invention a web site is created containing a number of web pages. The web pages are typically created using a markup language called HTML (Hypertext Markup Language). The HTML contains commands that tell browsers how to display the text, graphics and other content of the web pages on a remote user's computer monitor. It also contains commands for linking to other pages or other web sites. The web pages are placed on a server that is accessible via a computer network such as the Internet. Remote users are thereafter able to access the web pages by specifying the web page's address or Uniform Resource Locator ("URL") in their browser. The remote user's browser retrieves the specified web page from the server and displays the page on the user's computer monitor.

Figure 1 depicts a preferred embodiment of the web page that allows users to initiate their stock portfolio over the computer network. The invention presents a web page to the user who inputs the following: portfolio name (1); applicable tax bracket (2); primary broker (3); amount of cash (4); and starting tax position in terms of short and long term capital gains (5). The invention then prompts the user to select specific portfolio alerts and power bar triggers. A gain alert (6) allows the user to select a certain percentage gain that will alert the user when her investment gain exceeds that percentage. Similarly, the user selects a loss alert (7) to alert the user when an investment has exceeded the selected percentage loss. The user is also prompted to select a minimum cash threshold (8) and a maximum cash threshold (9). Once set, these alerts notify the user when her minimum cash falls below the selected percentage of her portfolio value or above the maximum percentage selected. The invention also provides a means for a user to select an alert for when her portfolio rises more than a chosen percentage in a single day, the power surge alert (10). After entering her portfolio information and selected alerts and triggers the user is provided with a means to create a portfolio, such as a "create portfolio" icon (11) that, when selected by the user, causes the web page to load the selected portfolio information (including alerts and triggers) into a file identified with the user.

The user is then provided with a means to enter individual security purchases and sales. Figure 2 is a depiction of a preferred embodiment of the web page providing such a means. The invention provides a means for the user to enter the following essential information regarding her portfolio: transaction type (purchase or sale) (13); number of shares purchased or sold (14); stock symbol (15); date of purchase or sale (16); cost basis or proceeds from purchase or sale (17); and broker (18). The user enters this information for each security in her portfolio and upon completion is provided with a presentation of her portfolio holdings such as that shown in

Figure 3. The invention provides a means for the user to sort her portfolio in a number of ways, including by market value, cost basis, winners and losers. The invention also allows the user to view her portfolio by open trades, closed trades or potential wash sales.

Cost Basis

The invention calculates the cost basis for each individual security in the portfolio taking into consideration the wash sale rule. For every security purchase input by the user the invention checks previous transactions in that security to determine if there were any sales within the previous thirty days. If no previous sales of the security were made in the previous thirty days, the cost basis of the security is its purchase price. If the security was sold in the previous thirty days, however, the invention checks to determine if the sale was at a loss (sales price < purchase price). If no previous sales in the past thirty days were made at a loss the cost basis is the purchase price. But, if a sale in the past thirty days was at a loss, the invention calculates the cost basis of the newly purchased security in accordance with the wash sale rule, discussed above.

Running Schedule D

The invention provides the user with a running IRS Form Schedule D reflective of the user's current capital gain situation. The portfolio's capital gain situation is also used by the invention in generating certain buy, sell or hold signals as well as for certain alerts. To calculate capital gains the invention compares purchases and sales of individual securities in a portfolio. The invention calculates the differential between the sale price and the cost basis and multiplies this number by the number of shares sold to calculate the capital gain or loss. The invention determines whether the stock was held for more than one year before sale and, if so, assigns the capital gain or loss a long-term status, if the security was held for less than one year, the capital

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gain or loss is assigned a short-term status. The invention makes these calculations for each security in each user's portfolio to generate a running schedule D for each portfolio. A graphic display of a Running Schedule D is displayed in Figure 4.

The invention examines the user's portfolio data and checks for potential alerts. The invention checks for the following alerts:

CASH ALERTS

Based on the user's selection of cash thresholds, (the percentages the user input to alert her to when she has too much or too little cash), the invention will set off alerts when they are triggered.

The invention calculates the market value of the portfolio securities by multiplying each security's market price by the number of shares. These numbers are added together and to the amount of cash in the portfolio to determine the portfolio market value. The invention then determines the percentage of cash held in the portfolio by dividing the amount of cash by the portfolio market value.

This percentage of portfolio cash is then compared to the minimum and maximum cash thresholds selected by the user. If the percentage of portfolio cash is less than the minimum cash threshold, the invention generates a portfolio alert that in a preferred embodiment says "**raise cash**". The cash power bar (discussed in detail below) in her portfolio changes to green (or another chosen color) when this happens as a further buy signal to raise money. If the percentage of portfolio cash is greater than the maximum cash threshold selected by the user, the invention generates a portfolio alert that in a preferred embodiment says "**too much cash**". The cash power bar in her portfolio changes to red (or another chosen color) when this happens as a further sell signal to invest some of that cash.

Additionally, the invention reviews the user's portfolio for buy signals (discussed below).

In a preferred embodiment, the invention provides the following alert when a user's percentage of portfolio cash is greater than the maximum cash threshold selected by the user and is coupled with buy signals in her portfolio, **"too much cash, investigate buy signals"**.

If the user does not have any buy signals in her portfolio the invention would generate a different alert: **"too much cash, go shopping (diversify)"**, in a preferred embodiment.

Go shopping signals are designed to prompt the user to go find something she wants to invest in and add it to her portfolio.

SCHEDULE D ALERTS

The invention raises Schedule D alerts when a user's tax liability is too high or too low. As December 31 approaches, investors want to get their Schedule D as close to minus $3000 as possible, (this is the maximum amount of loss the IRS currently allows investors to use to offset ordinary income in any single tax year). Early in the year it is not as critical for investors to keep their Schedule D number down, but as the year progresses investors want to reduce any tax liabilities they have, if they can.

Therefore, if a user has a positive Schedule D late in the tax year, the invention will display an alert such as the following:

"Warning High Schedule D - Realize Losses"

In a preferred embodiment, the invention's software starts alerts in January at a $27,000 threshold and decreases every month until it reaches minus ($2,650) in December. In a further refinement of the invention, when the alert **"Warning High Schedule D - Realize Losses"** is displayed, the user can click on a "Sort by" button and select losers and the invention will display her investments in descending order of investment losses to assist the user in realizing losses.

The invention also alerts users when they have a negative running Schedule D. In a preferred embodiment, whenever a user's running Schedule D is less than minus ($4,000), at any point during the year, the invention will generate an alert such as: **"Low Schedule D - realize winners".** In a preferred embodiment, the user can click on a "Sort by" button and select winners and the invention will display her investments in descending order of investment gains to assist the user in realizing gains.

POWER BAR

A unique feature of the present invention is the power bar. The power bar utilizes a user's preferences and tax liability to graphically display buy, sell and hold signals. In a preferred embodiment of the invention, the power bar is a rectangular display which utilizes colors to indicate the various buy, sell and hold signals, for example, green for buy signals, red for sell signals and yellow for hold signals. The color corresponding to the signal is then displayed on the power bar.

In a preferred embodiment, each signal is assigned a percentage value based on a predetermined level of importance for that signal. For example, individual signals can be assigned importance values between 25% and 50% and short term signals given twice the value of long term signals because the tax consequences of a short term event can have twice the impact on a taxpayer in the highest tax bracket as the consequences of a long term event. Any individual investment may have various signals with varying importance levels. The invention, in a preferred embodiment, aggregates the importance values of the individual buy, sell and hold signals to arrive at a aggregate importance value for the buy, sell and hold signals.

In a preferred embodiment the signal with the highest importance value will be displayed on the left of the power bar if there are two conflicting signals (e.g. a buy and a hold signal) and

will be displayed in the middle of the power bar if there are three conflicting signals (e.g. a buy, a sell and a hold signal). It should be apparent to one skilled in the art that the display of the buy, sell and hold signals could be accomplished in a variety of ways, any of which is envisioned by this invention.

The invention displays a power bar for each investment. By selecting the power bar, the user causes the invention to display the various buy, sell and hold signals associated with the security. In addition, the invention allows a user to click on the buy, sell or hold signal associated with the security and generate an explanation of the signal and the reason it has been triggered with respect to the security. A depiction of a preferred embodiment of the power bar, containing ten boxes inside a horizontal rectangle, is shown in Figure 5. Figure 5 Detail shows an example of the detail display of the power bar signals available to the user.

BUY SIGNALS

The invention generates buy signals when a user has lost money on a stock. There are two types of Buy signals, loss percentage and low ladder losers. Both these signals are designed to occur because the tax code allows investors to sell off their highest cost items first, encouraging them to replace their bad buys with better buys. These buy signals assume that the user still wants to invest in the stock.

B1 - Loss Percentage (set in portfolio preferences).

When a user sets up a portfolio the invention prompts her to pick a loss percentage. The invention compares each security's market price to its cost basis. If market price < cost basis and (cost basis - market price) ÷ cost basis ≥ the selected loss percentage, the invention generates a buy signal in the power bar.

For example, if the user picked 10% as her average down signal in her user preferences, the invention will generate a buy signal on a stock she bought at $50 per share if the stock drops below $45 per share. $[45 < 50$ and $50-45/50 = 0.10]$.

B2 - Low Ladder Losers

The invention examines the user's portfolio to determine if any stocks are low ladder losers. The invention identifies low ladder losers as securities that have decreased in market value since purchase and that represent a small portion of the portfolio's overall market value, in a preferred embodiment less than 33.33%. The invention generates a buy signal on the securities power bar when it is identified as a low ladder loser. These securities may justify a buy more analysis because, unless the user has lost faith in the company or industry in which she invested, these low ladder losers could be good opportunities to invest more money. If the user liked the stock at $50 per share she should love buying it at $30, and, since it represents a small percentage of her portfolio, investing more money carries less overall portfolio risk.

SELL SIGNALS

The invention provides sell signals for two basic reasons: either the user has met her investment goals or a taxable event is occurring on a trade or series of trades and she should consider selling to reduce or eliminate existing capital gains. In a preferred embodiment, the invention generates six different sell signals in the power bar.

S1 - Investor Return Met (set in portfolio preferences)

When a user sets up a portfolio the invention prompts her to select a gain percentage. This percentage will generate a sell signal in the securities power bar when an investment the user made has gone up in value and reaches or exceeds the percentage she picked. If market

price > cost basis and (market price - cost basis)/cost basis $\geq$ the selected gain percentage, the invention generates a sell signal in the power bar.

For example, if the user indicated a 20% gain in her user preferences, she will get a sell signal on a stock she bought at $50 per share when it reaches $60. [60 > 50 and (60-50) / 50 = 0.20]

S2 - Embarrassment of Riches (twice the investor return met)

In a preferred embodiment, the invention will calculate when a user's investment reaches twice the user's selected gain percentage and give the user another sell signal in the securities' power bar called the embarrassment of riches.

S3 - Long-Term Winners

The invention generates a sell signal when a user's investment matures from a short-term gain to a long-term gain. The invention calculates 366 days from the date the user purchased her investment. Then the invention compares the investment's cost basis to its market price. If the market price is greater than the cost basis and the date of purchase was over 365 days ago, the invention will display a sell signal in the power bar for the security. Because the long-term capital gains rate is lower once a winning investment goes long-term the user may want to consider selling.

S4 - Losers From a Winning Hand

The invention calculates losers from a winning hand when the user has made multiple purchases of the same stock at different prices. If some of those buys are losers and some are winners (determined by comparing the current market value to the cost basis), a user can have losers from a winning hand when the security is trading higher than the user's average cost for that security. While the investment is overall making money the invention generates a sell signal

in the power bar to alert the user to a good opportunity to unload some bad buys and offset
winners on the user's Schedule D.

S5 - Short-Term Losers About To Convert To Long-Term Losers

The invention tracks open trades that are nearing their one year anniversary. If the value
of such a security is less than its cost basis, it is an unrealized loser that is about to become long-
term. The invention provides the user with a sell signal in the power bar to prompt the user to
consider realizing the loss before the stock goes long-term. In that way, the user can use the
short-term loss to offset an existing high-taxed short-term gain, rather than waiting for the trade
to graduate to a long-term loss that could only be used to offset low-taxed long-term gains. In a
preferred embodiment, this sell signal is generated 60 days before the unrealized loss will
become long-term.

S6 - Tax-Loss Selling at the End of the Year

The invention compares each security's cost basis to its market price. If a security's cost
basis exceeds its market price and if the end of the tax year is approaching, within two months in
a preferred embodiment, and if the user's running Schedule D is high, in the preferred
embodiment above $27,000 at the beginning of the year and decreasing linearly to negative
($2,650) at the end of the year, the invention will generate a tax-loss selling at the end of the year
sell signal in the user's power bar. This sell signal prompts the user to consider realizing losses
in the current calendar year that can be used to offset existing realized gains.

HOLD SIGNALS

The invention will generate hold signals in two circumstances, either the user has not met
her investment goals or a taxable event is occurring on a trade or series of trades and the user

should consider holding to defer incurring capital gains. There are five different hold signals that

the invention may display in the power bar.

H1 – Investor Preferences not Met

The invention compares each security's cost basis to its market value and then compares

the gain or loss to the user's selected gain and loss percentage. If the security has not reached

either the gain or loss percentage goal the invention generates a hold signal in the power bar for

that security.

H2 – Short-Term Winners Nearing Day 366

The invention determines if a security's market price exceeds its cost basis and whether

the date since purchase is nearing the 366th day. If so, the invention will generate a hold signal

in the security's power bar to prompt the investor to consider holding the security until it goes

long-term. In a preferred embodiment, the hold signal is generated at day 305.

H3 – Winners Last 60 Days of Year

The invention determines if a security's market price exceeds its cost basis and whether

end of the tax year is approaching. If so, the invention generates a hold signal in the security's

power bar to prompt the investor to consider holding the security until after the end of the tax

year to defer the tax consequences of the trade until the next tax year. In a preferred

embodiment, the hold signal is generated 60 days before the end of the tax year.

H4 – Losers From a Losing Hand

In a preferred embodiment, the invention determines if a security's cost basis exceeds its

market price and if the average cost basis also exceeds the current market price. If so, the

invention generates a losers from a losing hand hold signal in the security's power bar to prompt

the investor to consider holding the security until the investment climbs back to at least break-even.

H5 – Potential Wash Sales

In a preferred embodiment, the invention determines if a security's cost basis exceeds its market price and if the security was purchased within the last 30 days. If so, the invention generates a potential wash sale signal in the security's power bar to prompt the investor to consider holding the security until the wash sale rule will no longer apply.

One skilled in the art can see that other buy, sell and hold signals could be generated based on other investor preferences and tax considerations.

TAX EVENT CALENDAR

The invention creates a tax event calendar for users and populates each calendar with tax events specific to the user's portfolio. In the preferred embodiment, the following dates are automatically calendared:

estimated quarterly payment dates;

the date an investment the user made converts from a short-term gain/loss to a long-term gain/loss (366 days from the acquisition date); and

the date the wash sale rule expires for a realized loss (31 days after disposition).

WHAT IS CLAIMED IS:

1.   A method of managing stock trading information using a computer network having at least one local workstation with a display terminal and a remote processing station comprising:

    a.   entering information regarding a stock portfolio and investment goals at a local workstation;

    b.   transmitting said information to a remote processing station;

    c.   processing said information at said remote processing station according to a predetermined algorithm to produce investment analysis;

    d.   transmitting said investment analysis from said remote processing station to said local work station; and

    e.   displaying said investment analysis on said local workstation display terminal in the form of a graphic display.

2.   The method of claim 1, wherein said investment analysis is displayed as a linear element display including color for various analysis.

3.   The method of claim 1, wherein said information considered in rendering said investment advise includes the date of security purchase, the duration of holding and the time of year

4.   The method of claim 3, wherein said information considered in rendering investment advise also includes the income tax bracket of the entity owning the security.

5.   The method of claim 1, wherein said investment analysis is based entirely or in part on capital gains tax implications.

6.   The method of claim 1, wherein the information considered in rendering

said investment analysis includes investment goals, such as the desired allocation

of cash to stock in the portfolio, the desired investment gain or the maximum

investment loss.
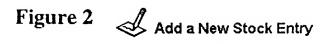
Figure 1

Create a New Stock Portfolio

Questions: If you have any questions or prefer the convenience of subscribing over the phone, please call our customer-support number toll-free at (800)-826-1225 (Monday-Friday, 9a.m.-6 p.m. CT)

Note: * = required field

(1) *Portfolio Name   `My Portfolio`

Tax ID   `[                ]`

(2) *Tax Bracket   `Select bracket from list... ▼`   Tax Rate Schedule

(3) *Primary Broker   `A.B. Watley ▼`

(4) *Cash   `[            ]`

(5) Starting Tax Position   Short-Term Gain/Loss `0`   Long-Term Gain/Loss `0`

Portfolio Alerts & PowerBar Triggers

(6) *Gain   `.20`   (e.g Alert when my investment exceeds a 20% return)

(7) *Loss   `.10`   (e.g Alert when my investment exceeds a 10% loss)

(8) *Min Cash Threshold   `.15`   (e.g Alert when my minium cash on hand falls below 15% of my portfolio)

(9) *Max Cash Threshold   `.25`   (e.g Alert when my maximium cash on hand exceeds 25% of my portfolio)

(10) *Power Surge   `.05`   (e.g Alert when my portfolio rises more than 5% percent in one day)

(11) Volume Flag   ◉ Yes   ○ No

(12)   [Create Portfolio] [Cancel]

↑ Top

Figure 2   ✍️ Add a New Stock Entry

Questions: If you have any questions or prefer the convenience of subscribing over
the phone, please call our customer-support number toll-free at (800)-
826-1225 (Monday-Friday, 9a.m.-6 p.m. CT)

Note: * = required field

Portfolio: Easy Portfolio   View Portfolio

Transaction Type: *Number of Shares: *Stock Symbol:

(13) [Buy ▼]   (14) [0]   (15) [____]

*Transaction Date

(16) [12/3/99]   (e.g 08/03/1999)

*Cost Basis or Proceeds

(17) [0]   (Net cost of your transactions. including
                commisions)

*Broker:

(18) [DLJ Direct   ▼]

[Add New Entry] [Cancel]

Figure 3

MyAccount Portfolio - (open)

Portfolio: [Easy Portfolio ▣]   View by: [Open Trades ▣]

Options: [Select... ▣]   Sort by: [Market Value ▣]

Symbol	Last Trades Price	Chg	Holdings Qty	Paid	Today's Chg $	Today's Chg %	Gain/Loss $	Gain/Loss %	Market Value	Percent Portfolio	Figure 5 SellSignal
HWP [e | d]	$105.69	5.93	300	$50.00	$1,780.08	5.95%	$16,706.25	111.38%	$31,706.25	28.46%	
MOT [e | d]	$124.31	5.75	200	$50.00	$1,150.00	4.85%	$14,862.50	148.63%	$24,862.50	22.31%	
CSCO [e | d]	$95.44	1.94	200	$60.00	$387.50	2.07%	$7,087.50	59.06%	$19,087.50	17.12%	
IBM [e | d]	$112.06	6.80	100	$170.00	$679.69	6.46%	($5,793.75)	(34.08%)	$11,206.25	10.05%	
Cash	$.00	.00	0	$.00					$11,000.00	9.87%	
BA [e | d]	$40.06	(.06)	200	$55.00	($12.50)	(.16%)	($2,987.50)	(27.16%)	$8,012.50	7.19%	
DIS [e | d]	$27.94	.07	200	$45.00	$14.84	.27%	($3,412.50)	(37.92%)	$5,587.50	5.01%	
Summary:					$3,999.61	4.15%	$26,462.50	35.76%	$111,462.50		
Portfolio Alerts:				WARNING!: High Schedule D; realize short-term losses. Raise cash.							

Add Entry | Update Prices (20min delayed quotes)

Buy=■   Sell=■   Hold=☐
(click on the SellSignal for values)

Figure 4

SellSignal Investment Summary

Closed Trades	Gain/Loss	Investment Remarks
Running Schedule D:	$26,000.00	
Total Short Term Gain/Loss:	$4,800.00	
Total Long Term Gain/Loss:	$21,200.00	
Schedule D Tax Liability:	$6,140.80	
Schedule D component of next Qtrly Payment:	$1,535.20	Due January 15th

PowerBar for symbol (CSCO) Figure 5 Detail

These are the signals that currently exist for this investment. You can
learn more about each buy, sell and hold signal in the education
center, or by clicking on the doc link of each signal.

Assumptions

SellSignals

S1 - Investor return met

Your investment return rate has been met.

S2 - Embarrassment of riches

You have achieved twice your investment return.

S3 - Long-Term winner

You have graduated this investment to a long-term capital gain

HoldSignals

H2 - Short-term winner about to convert to long-term

You have a short-term winner about to convert to a long-term
winner.

H3 - Winners, last sixty days of the year

You have a winning investment during the last sixty days of the
year.